

## Base metals are of strategic importance to Asia

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Asia consumes close to half the world's industrial metals<sup>1</sup> and is therefore key to setting prices. The price at which aluminium, zinc, copper, lead, nickel and tin are imported into and exported from Asia is often referenced to the respective London Metal Exchange (LME) aluminium, zinc, copper, lead, nickel and tin prices. As each of the six metals has distinctive characteristics, uses and supply-and-demand dynamics, Hong Kong Exchange and Clearing Limited (HKEX) CNH London Metal Mini Futures can meet the various needs of base metals users, producers and investors, particularly those who are based in Asia and want to be able to buy and sell futures contracts during their business day.

## Rationale of launching CNH London Aluminium/Zinc/Copper/Lead/Nickel/Tin Mini Futures at HKEX

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CNH London Aluminium/Zinc/Copper/Lead/Nickel/Tin Mini Futures are the first batch of Renminbi (RMB)-traded commodities contracts to be launched in Hong Kong. They are designed to match Chinese physical players' exposure to commodities contracts priced in RMB, to ease margin financing needs for entities holding RMB and to establish RMB pricing of metals in Asian trading hours. In addition, they offer market participants arbitrage opportunities with other commodities exchanges.

CNH London Aluminium/Zinc/Copper/Lead/Nickel/Tin Mini Futures are traded on Hong Kong Futures Exchange Limited (HKFE) and cleared through HKFE Clearing Corporation Limited (HKCC). HKFE and HKCC are wholly-owned subsidiaries of HKEX. HKEX aims to develop commodities trading in Hong Kong in cooperation with the LME, the world centre for non-ferrous futures trading. The LME brings experience of metals trading, its commodities membership network and recognition in the physical metals industry.

## Highlights

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- **Expand range of base metals futures at HKEX**
- **Cover global trading hours**
- **Provide arbitrage opportunities across different markets and products**
- **Mitigate price risk exposure to USD/CNH exchange rate volatility**

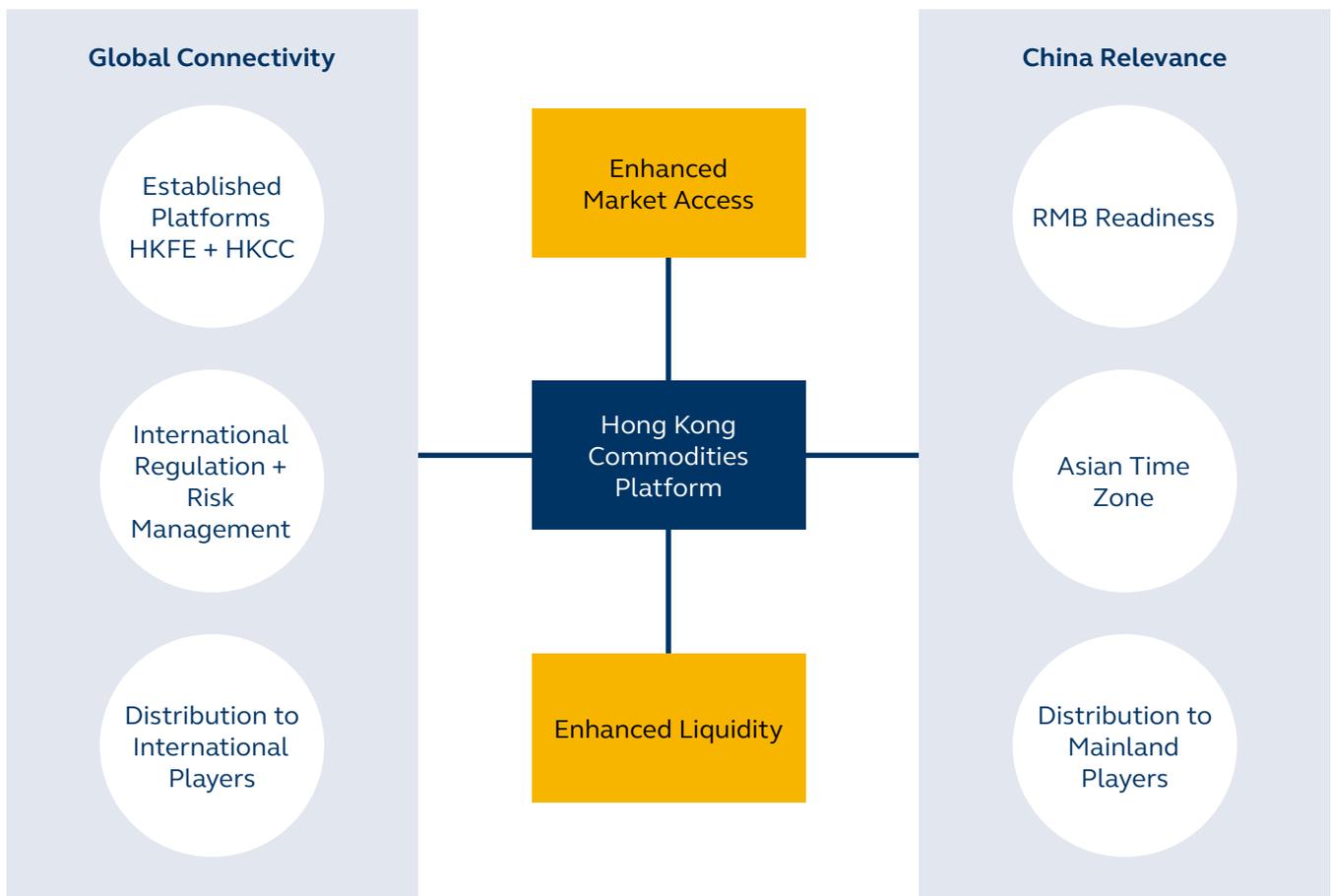
## Trading and clearing

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HKEX's CNH London Aluminium/Zinc/Copper/Lead/Nickel/Tin Mini Futures trade electronically on HKFE and are cleared through HKCC. Final Settlement Prices are based on Official Settlement Prices at the LME, the world centre for nonferrous futures trading. HKFE, HKCC and LME are wholly-owned subsidiaries of HKEX.

<sup>1</sup> Reuters, as of December 2018

# HKEX commodities platform: cross-border connectivity



## RMB conversion for CNH London Aluminium/Zinc/Copper/Lead/Nickel/Tin Mini Futures

CNH London Aluminium/Zinc/Copper/Lead/Nickel/Tin Mini Futures are settled at the Official Settlement Prices discovered and published by the LME for its Aluminium/Zinc/Copper/Lead/Nickel/Tin Futures. The prices are then converted to RMB equivalent using the USD/CNY(HK) Spot Rate published by the Treasury Markets Association in Hong Kong at or around 11:30 am Hong Kong time on the Last Trading Day.

More information about the USD/CNY(HK) Spot Rate is available at [www.tma.org.hk/en\\_market\\_info.aspx](http://www.tma.org.hk/en_market_info.aspx).

# Contract specifications

Contract	CNH London Aluminium Mini Futures	CNH London Zinc Mini Futures	CNH London Copper Mini Futures	CNH London Lead Mini Futures	CNH London Nickel Mini Futures	CNH London Tin Mini Futures
Underlying	High Grade Primary Aluminium as defined in the rules and regulations of the LME	Special High Grade Zinc as defined in the rules and regulations of the LME	Copper-Grade A as defined in the rules and regulations of the LME	Standard Lead as defined in the rules and regulations of the LME	Primary Nickel as defined in the rules and regulations of the LME	Tin as defined in the rules and regulations of the LME
Trading Symbol	LRA	LRZ	LRC	LRP	LRN	LRS
Contract Size	5 tonnes				1 tonne	
Trading Currency	RMB					
Contract Months	Spot Month and the next eleven calendar months					
Minimum Fluctuation/Tick Size	RMB 5 per tonne		RMB 10 per tonne	RMB 5 per tonne	RMB 10 per tonne	
Trading Hours (Hong Kong Time)	9:00 am to 4:30 pm (day trading session) and 5:15 pm to 3:00 am the next morning (after-hours trading session)					
Last Trading Day (LTD)	The LTD determined by the LME for its Aluminium/Zinc/Copper/Lead/Nickel/Tin Futures Contracts (ie Usually two business days before the third Wednesday of the spot month). If it is not a Trading Day, the LTD shall be the immediately preceding Trading Day					
Trading Hours on the LTD	9:00 am – 4:30 pm (day trading session) and 5:15 pm – 8:00 pm (after-hours trading session) during British Summer Time) 5:15 pm – 9:00 pm (after-hours trading session outside British Summer Time)	9:00 am – 4:30 pm (day trading session) and 5:15 pm – 7:55 pm (after-hours trading session) during British Summer Time) 5:15 pm – 8:55 pm (after-hours trading session outside British Summer Time)	9:00 am – 4:30 pm (day trading session) and 5:15 pm – 7:35 pm (after-hours trading session) during British Summer Time) 5:15 pm – 8:35 pm (after-hours trading session outside British Summer Time)	9:00 am – 4:30 pm (day trading session) and 5:15 pm – 7:50 pm (after-hours trading session) during British Summer Time) 5:15 pm – 8:50 pm (after-hours trading session outside British Summer Time)	9:00 am – 4:30 pm (day trading session) and 5:15 pm – 8:05 pm (after-hours trading session) during British Summer Time) 5:15 pm – 9:05 pm (after-hours trading session outside British Summer Time)	9:00 am – 4:30 pm (day trading session) and 5:15 pm – 7:45 pm (after-hours trading session) during British Summer Time) 5:15 pm – 8:45 pm (after-hours trading session outside British Summer Time)
Final Settlement Price (FSP)	Shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by the LME for its Aluminium/Zinc/Copper/Lead/Nickel/Tin Futures, and converted to RMB equivalent using the USD/CNY(HK) Spot Rate published by the Treasury Markets Association in Hong Kong at or around 11:30 am Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5.					
Settlement Type	Cash-settled					
Holiday Schedule	HKEX holiday schedule					
Exchange Fee (per contract per side)	RMB 3.00					
Commission Levy	RMB 0.44* per contract					
Calendar Spreads	Cover Spot Month and the nearest 11 serial month					
Block Trade Size	50					

\* The RMB equivalent of HK\$0.54 per contract at the exchange rate determined by the Exchange from time to time



# Information vendor access code (As of 31 May 2022)

	CNH London Aluminium Mini Futures	CNH London Zinc Mini Futures	CNH London Copper Mini Futures	CNH London Lead Mini Futures	CNH London Nickel Mini Futures	CNH London Tin Mini Futures
AASTOCKS.com Limited	221380	221385	221390	221405	221410	221400
ATPlatform Technology Limited	LRA	LRZ	LRC	LRP	LRN	LRS
Bloomberg Finance L.P.	RALA Comdty	RVWA Comdty	RUCA Comdty	RVCA Comdty	RPLA Comdty	RFLA Comdty
CQG, Inc.	LRA	LRZ	LRC	LRP	LRN	LRS
DB Power Online Limited	LRA	LRZ	LRC	LRP	LRN	LRS
East Money Information Co., Ltd.	LRA	LRZ	LRC	LRP	LRN	LRS
ICE Data Connectivity & Feeds, Inc.	Fn:LRA\ MYYDD	Fn:LRZ\ MYYDD	Fn:LRC\ MYYDD	Fn:LRP\ MYYDD	Fn:LRN\ MYYDD	Fn:LRS\ MYYDD
Infocast Limited	LRA	LRZ	LRC	LRP	LRN	LRS
N2N-AFE (Hong Kong) Limited	870801	870802	870803	870806	870804	870805
QuotePower International Ltd.	P11210	P11214	P11212	P11220	P11216	P11218
Refinitiv Limited	0#HHRA:	0#HLRZ:	0#HLRC:	0#HLRP:	0#HLRN:	0#HLRS:
Shanghai Pobo Network Data Information Co., Ltd.	LRA+Month	LRZ+Month	LRC+Month	LRP+Month	LRN+Month	LRS+Month
Shanghai Qianlong Advanced Technology Co. Ltd.	269	269	269	269	269	269
SIX Financial Information Ltd	LRAmy	LRZmy	LRCmy	LRPmy	LRNmy	LRSmy
Telequote Data International Ltd.	LRAmy	LRZmy	LRCmy			
Tele-Trend Ltd.	Z AFC, ZAmy	ZZFC, ZZmyy	ZCFC, ZCmyy	ZPFC, ZPmyy	ZNFC, ZNmyy	ZSFC, ZSmyy
Webstock Information Systems Co., Ltd.	LRA	LRZ	LRC	LRP	LRN	LRS
Wind Information Co., Ltd.	LRAF.HK	LRZF.HK	LRCF.HK	LRPF.HK	LRNF.HK	LRSF.HK
Zheng Zhou ESunny Information Technology Co, Ltd	LRA	LRZ	LRC	LRP	LRN	LRS

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